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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re

SILVER STATE BROADCASTING, LLC,

- ☐ Affects Silver State Broadcasting, LLC
☐ Affects Golden State Broadcasting, LLC
☐ Affects Major Market Radio, LLC
☒ Affects all Debtors

Case No. BK-21-14978-abl

Jointly Administered with:
Case No. BK-S-21-14979-abl
Case No. BK-S-21-14980-abl

Chapter 11

RECEIVER'S STATUS REPORT

Hearing Date: March 3, 2022
Hearing Time: 1:30 p.m.

1 W. Lawrence Patrick (the “Receiver”), the receiver of substantially all of the assets of the
 2 above-captioned debtors and debtors-in-possession (collectively, the “Debtors”),¹ hereby files this
 3 status report (the “Status Report”) in anticipation of the Continued Status Conference to be held on
 4 March 3, 2022 at 1:30 p.m.

5 **BACKGROUND**

6 1. On October 19, 2021 (the “Petition Date”), the Debtors individually filed Voluntary
 7 Petitions for Relief under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”).

8 2. On November 19, the Court entered its Order Authorizing Joint Administration of
 9 Cases [ECF No. 37], designating Silver State Broadcasting as the lead case.

10 3. On November 17, 2021, Debtors filed their Emergency Joint Motion for Order
 11 Directing Court Appointed Receiver to Turnover Property Pursuant To 11 U.S.C. §§ 543(A) And (B)
 12 [ECF No. 30].

13 4. On February 7, 2022, the Court entered its Order Granting Debtor’s Motion for
 14 Turnover (the “Turnover Order”) [ECF No. 115], thereby requiring the Receiver to (i) deliver to the
 15 Debtor’s, through their managing member Edward R. Stolz (“Mr. Stolz”), any property held by the
 16 Receiver; (ii) refrain from making any disbursement or taking any action in the administration of the
 17 property, and (iii) prepare an accounting (the “Accounting”) of any property of the Debtors, including
 18 proceeds, product, offspring, rents, and profits that at any time were under the possession or control
 19 of the Receiver. The Court ordered the Accounting to be filed on or before April 8, 2022.

20 **TRANSFER OF LICENSES**

21 5. The Debtors are three Nevada limited-liability companies that operated three FM radio
 22 stations and one AM radio station (the “Radio Stations”)—with call signs commonly known as
 23 KFRH-FM, KREV-FM, KRCK-FM, and KBET-AM—that operate under Federal Communications

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 25 ¹ The Debtors are Silver State Broadcasting, LLC (“Silver State”), Golden State Broadcasting, LLC
 26 (“Golden State”), and Major Market Radio, LLC (“Major Market”). Unless otherwise set forth
 27 herein, all “Docket” references are to the docket of the Silver State Bankruptcy Case. The docket of
 28 the Golden State Bankruptcy Case is referred to herein as the “Golden State Docket” and the docket
 of the Major Market Bankruptcy Case is referred to herein as the “Major Market Docket.” To the
 extent applicable, the Receiver respectfully requests that the Court take judicial notice of the filings
 on the dockets of the Bankruptcy Cases, pursuant to Rule 201(b) of the Federal Rules of Evidence.

Commission (the “FCC”) licenses (collectively, the “Licenses”). The Licenses are the Debtors’ primary assets of value. The three FM Licenses were under the control of the Receivership through the District Court and approval of the FCC. The FCC has exclusive jurisdiction and control over the assignment of the Licenses.

6. Upon the Court’s entering the Turnover Order, on February 11, 2022 the Receiver filed with the FCC applications for an involuntary assignment of the FM Licenses to the Debtors’ (the “Assignment Applications”). The Assignment Applications were accepted for filing by Public Notice of the FCC on February 15, 2022.

7. On February 22, 2022, the FCC granted the Assignment Applications, and the Receiver filed the notices of consummation of the involuntary assignment of the Licenses on that same day. Accordingly, as a result of the Receiver’s expeditious compliance with the Turnover Order, the Debtor is now in possession of its principal assets—the FM Licenses.

TRANSFER OF REMAINING ASSETS

8. On February 11, 2022, the Receiver’s counsel received a letter from Debtors’ counsel containing a list of thirty-seven (37) pieces of equipment and other assets that the Debtors allege to be under the possession or control of the Receiver. The Receiver is currently in the process of reconciling the February 11 list with the Receiver’s records of the non-License assets the Receiver obtained through the receivership; however, it appears a material number of the identified items never came into the possession of the Receiver. The Receiver is likewise reconciling his records with the on-site property of VCY America, Inc. that was being utilized under the parties’ interim agreement (pending FCC approval of the VCY sale) to ensure the Receiver does not turnover non-Debtor property.

9. On February 23, 2022, the Receiver’s counsel received an additional letter from Debtors’ counsel containing two additional lists containing a combined sixty-three (63) pieces of equipment, assets, and various potential labor costs for professionals, that the Debtors allege to be under the possession or control of the Receiver.² As with the February 11 list, the Receiver is

² The February 11 and February 23 lists also allege the purported condition and value of the assets that are allegedly in the Receiver’s possession. The alleged asset valuations (which are unsupported)

1 reconciling these new lists with his records and has identified a material number of items that never
 2 came into the Receiver's possession. Assuming the Debtors do not provide further lists for
 3 investigation, the Receiver anticipates that the reconciliation process will be completed within a week.

4 10. Importantly, the Receiver understands that any equipment or other assets that came
 5 into the possession of the receivership estate were never removed from their original, pre-receivership
 6 locations. Accordingly, the Debtors will be in possession of any non-License receivership assets once
 7 the Debtors coordinate with the Receiver to take possession of any leased real property.

8 **CONCLUSION**

9 In conclusion, the Receiver has worked diligently to ensure the Licenses were promptly
 10 assigned to the Debtors and is working expeditiously to respond to the lists received by the Debtors'
 11 counsel. The Receiver remains on pace file the Accounting with the Court on or before April 8, 2022.

12
 13 DATED this 25th day of February 2022.

14 **FOX ROTHSCHILD LLP**

15 By s/Brett A. Axelrod

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 25
 26
 27 and asset condition (which appear inaccurate) have added unnecessary complication to the accounting
 28 process. Given the distrust among the parties, the Receiver is documenting the condition of the
 remaining assets in the event of any dispute concerning the foregoing.